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Atlantic City, N.J., Hires Lawyers to Restructure Debt.

NEW YORK — Atlantic City, New Jersey's fiscally distressed gambling hub, has hired public finance attorneys to restructure some of its \$240 million of outstanding bond debt, Mayor Don Guardian said on Tuesday.

New Jersey law firm McManimon, Scotland & Baumann will work on reducing the city's debt load, much of which it took on to pay back casinos that won property tax appeals.

City officials are meeting with the firm this week, Guardian told residents in a meeting Tuesday evening, which was livestreamed by the Press of Atlantic City.

The city's fortunes have faded as gambling competition in neighboring states cut into its casino industry and eviscerated its property tax base.

Under new state legislation passed in May, Atlantic City has until October to craft a recovery plan or face a possible state takeover.

Local resentment lingers, and some at Tuesday's public meeting wondered whether the city could avoid state control if it filed for municipal bankruptcy.

"Bankruptcy scares investors away. It chills financial markets. Bankruptcy doesn't solve our problems," said Councilman Kaleem Shabazz, who noted that New Jersey also controls whether its cities are allowed to file for bankruptcy.

"Atlantic City is a functional, contributing part of the economic engine of the state, so we have to work together," he said.

Guardian said the city will ask private companies for bids to see if they could save money on certain services, including trash and recycling, payroll and towing.

The city has also asked Atlantic County about sharing senior citizen transportation and some other services.

A number of fees have risen, including for parking meters, which are expected to bring in nearly \$800,000 this year and \$1.6 million in 2017. The city's fiscal year follows the calendar year.

Guardian said that since he took office in January 2014, the city reduced its workforce by 28 percent to 904 as of the end of April, with more employees leaving at the end of this week.

The city will also get \$1.7 million for properties it auctioned off on June 23 and potentially another \$5 million combined for two other properties.

By REUTERS

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(Reporting by Hilary Russ in New York; Editing by Leslie Adler)

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